

## COMMITTEE REPORT

MR. PRESIDENT:

The Senate Committee on Insurance and Financial Institutions, to which was referred Senate Bill No. 500, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be AMENDED as follows:

- 1 Page 6, line 16, delete "and".
- 2 Page 6, line 16, after "IC 27-14-5-9" insert ", and IC 27-14-5-10".
- 3 Page 8, between lines 15 and 16, begin a new paragraph and insert:
- 4 **"Sec. 15. "Financial services businesses" includes:**
- 5 (1) investment banking;
- 6 (2) commercial banking;
- 7 (3) industrial banking;
- 8 (4) savings and loan associations;
- 9 (5) credit unions;
- 10 (6) trust companies;
- 11 (7) other lending and loan brokerage services;
- 12 (8) services related to the extension of credit, including:
- 13 (A) real estate and personal property appraisal;
- 14 (B) arranging equity financing;
- 15 (C) check-guaranty services;
- 16 (D) collection agency services;
- 17 (E) asset management, servicing, and collection activities;
- 18 (F) real estate settlement services; and
- 19 (G) lease financing transactions;
- 20 (9) securities broker-dealer and trading services;
- 21 (10) private placement services;

- 1           (11) acting as a futures commission merchant;
- 2           (12) securities underwriting;
- 3           (13) transactions in bullion, precious metals, and foreign
- 4           currency;
- 5           (14) investment advisory services;
- 6           (15) financial planning services;
- 7           (16) third party administration of insurance policy claims and
- 8           accounts receivable;
- 9           (17) factoring, organization, and operation of investment
- 10          companies and mutual funds;
- 11          (18) employee benefit planning and consultation services;
- 12          (19) actuarial services;
- 13          (20) issuance of money orders, savings bonds, and traveler's
- 14          checks; and
- 15          (21) other operations and services either closely related to or
- 16          properly accompanying these activities."

17          Page 8, line 16, delete "15." and insert "16."

18          Page 8, line 21, delete "16." and insert "17."

19          Page 8, line 23, delete "17." and insert "18."

20          Page 8, line 28, delete "18." and insert "19."

21          Page 8, between lines 35 and 36, begin a new paragraph and insert:

22          **"Sec. 20. 'Members' surplus" means the amount of the surplus**  
 23          **and any net unrealized capital gains of an MIC that exist on the**  
 24          **effective date of a reorganization under IC 27-14."**

25          Page 8, line 36, delete "19." and insert "21."

26          Page 8, line 37, delete "20." and insert "22."

27          Page 8, line 38, delete "21." and insert "23."

28          Page 9, line 1, delete "22." and insert "24."

29          Page 9, between lines 3 and 4, begin a new paragraph and insert:

30          **"Sec. 25. 'Net unrealized capital gains' means unrealized**  
 31          **capital gains less unrealized capital losses for the same accounting**  
 32          **period.**

33          **Sec. 26. 'Ordinary course of the insurance business' includes**  
 34          **expanding the business of any company as of the effective date of**  
 35          **a plan of reorganization into other insurance, insurance related,**  
 36          **and financial services businesses."**

37          Page 9, line 4, delete "23." and insert "27."

38          Page 9, line 29, delete "24." and insert "28."

- 1 Page 9, line 31, delete "25." and insert "**29.**".
- 2 Page 9, line 39, delete "26." and insert "**30.**".
- 3 Page 9, line 42, delete "27." and insert "**31.**".
- 4 Page 10, line 2, delete "28." and insert "**32.**".
- 5 Page 10, line 5, delete "29." and insert "**33.**".
- 6 Page 10, line 7, delete "30." and insert "**34.**".
- 7 Page 10, line 12, delete "31." and insert "**35.**".
- 8 Page 10, line 18, delete "32." and insert "**36.**".
- 9 Page 10, line 23, delete "33." and insert "**37.**".
- 10 Page 24, between lines 10 and 11, begin a new paragraph and insert:
- 11 **"Sec. 12. Members' surplus may be used only in the ordinary**
- 12 **course of the insurance business."**
- 13 Page 31, between lines 12 and 13, begin a new paragraph and insert:
- 14 **"Sec. 10. An outside director of an MIHC or an associate of an**
- 15 **outside director of an MIHC may not purchase or own securities**
- 16 **issued by a reorganized insurer or stock holding company that is**
- 17 **a subsidiary of the MIHC on whose board of directors the outside**
- 18 **director serves."**
- (Reference is to SB 500 as introduced.)

**and when so amended that said bill do pass.**

Committee Vote: Yeas 8, Nays 2.

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**Paul**

**Chairperson**